

## MEMORANDUM

**TO:** House Family, Children, and Seniors Committee  
**FROM:** Health Care Association of Michigan (HCAM)  
Rich Farran, V.P. of Government Services  
**DATE:** November 29, 2018  
**SUBJECT:** Senate Bills 1037, 1038, 1039

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HCAM asks the committee to support Senate Bills 1037-39.

Michigan nursing facilities provide care for approximately 40,000 patients – our state's most vulnerable citizens. Of these patients, 65% receive Medicaid benefits to pay for their care at a facility. This creates a significant dependency for our providers on the state reimbursement process.

We understand the obligations of the Department of Health and Human Services to ensure quality care and to spend taxpayer dollars prudently. Senate Bills 1037, 1038, and 1039 advance these goals, making the reimbursement system more accurate, consistent, and timely. This legislation will benefit all parties involved by clarifying the duties of the Office of Audit and of providers, all in an effort to ensure quality care to residents.

The bills address the major issues facing nursing facilities throughout the Medicaid reimbursement process, and make reasonable reforms to enable the best service to residents. Currently, providers face significant delays in departmental decisions, starting with the initial ruling of Medicaid eligibility of a newly admitted resident, all the way through the audit and settlement of cost reports. These delays adversely affect the facilities financially, impacting the services to residents. This legislative package puts reasonable time limits on the department, and sets defaults if the department is unable to make timely rulings.

The current process does not always make clear the obligations of providers and limits the flexibility to respond to market changes. These bills will ensure providers know what they need to do in order to comply with department policy while also allowing for the modernization of facilities.

Finally, the bills establish a work group to encourage open communication and collaboration between providers and the department. Working together, this complicated process can continue to be made more efficient, consistent, and accurate, and result in the best possible care for the residents we serve.

For these reasons, HCAM asks the committee to support Senate Bills 1037-39.

*HCAM is a statewide trade association representing proprietary, not for profit, county medical and hospital-based long-term skilled nursing and rehabilitation facilities. If you have questions, please contact Rich Farran at [RichFarran@hcam.org](mailto:RichFarran@hcam.org).*